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STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2021-

AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO EXECUTE A LOAN AGREEMENT WITH THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (IBANK) FOR UP TO \$50 MILLION IN CLEAN WATER STATE REVOLVING FUND (CWSRF) STATE MATCH

WHEREAS:

1. Capitalization grants from the United State Environmental Protection Agency (U.S. EPA) are deposited into the CWSRF and used by the State Water Resources Control Board (State Water Board) to provide low-interest loans and principal forgiveness to local municipalities for the eligible costs of planning, designing and constructing wastewater, water recycling and other eligible projects;
2. As a condition of CWSRF capitalization grant awards from the U.S. EPA, the State Water Board must provide matching funds equal to 20 percent of each capitalization grant (State Match);
3. The U.S. EPA requires that the State Water Board make timely and expeditious use of capitalization grant awards and associated State Match;
4. The CWSRF needs additional State Match for the 2020 capitalization grant, and will need additional State Match for the 2021 and 2022 capitalization grants;
5. The State Water Board currently has no General Fund or general obligation bond appropriations or local match funding to meet the current or near-term State Match needs of the CWSRF;
6. State and federal law allows the State Water Board to use interest earnings of the CWSRF to secure and repay a short-term loan to obtain State Match;
7. The IBank previously assisted the State Water Board with obtaining State Match for the Drinking Water State Revolving Fund in 2014 and 2016 using this type of loan transaction, and is able to assist the State Water Board with State Match for the CWSRF;
8. The State Water Board seeks to maximize all available funding sources and minimize the costs of obtaining State Match, and a short-term loan with the IBank is the most economical option available to the State Water Board; and
9. The CWSRF currently contains sufficient interest earnings to secure and repay a short-term loan with the IBank to obtain up to \$50 million in State Match.

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THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Authorizes the Executive Director or designee to execute a loan agreement with the IBank to obtain up to \$50 million in CWSRF State Match.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on March 16, 2021.

Jeanine Townsend
Clerk to the Board